

**NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8/4/10

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
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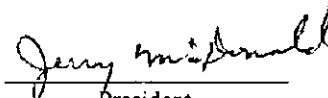
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NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2009

Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

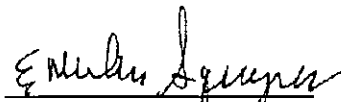
AFFIDAVIT

Personally came and appeared before the undersigned authority, Jerry McDonald, President of the North Sabine Fire Protection District, who, duly sworn, deposes and says, that the financial statements herewith given presents fairly the financial position of the North Sabine Fire Protection District, at December 31, 2009 and the results of operations for the year then ended in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.



President

Sworn to and subscribed before me, this 14th day of June, 2010.



NOTARY PUBLIC
E. Mentie Sguyres, 12# 033069

HINES, SHEFFIELD & SQUYRES, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT AUDITORS' REPORT

North Sabine Fire Protection District
P.O. Box 81
Zwolle, Louisiana 71486

We have audited the accompanying basic financial statements of the North Sabine Fire Protection District, Zwolle, Louisiana, a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2009, as listed in the table of contents. These basic financial statements are the responsibility of the North Sabine Fire Protection District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the North Sabine Fire Protection District as of December 31, 2009, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 14, 2010, on our consideration of the North Sabine Fire Protection District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the budgetary information on pages 3 through 7 and 20, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming an opinion on the financial statements that collectively comprise the North Sabine Fire Protection District's basic financial statements. The accompanying supplemental schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The financial information for the year ended December 31, 2008, which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion dated June 1, 2009, on the basic financial statements of the North Sabine Fire Protection District.

Hines, Sheffield & Squyres
Natchitoches, Louisiana
June 14, 2010

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2009

The Management's Discussion and Analysis of the North Sabine Fire Protection District's financial performance presents a narrative overview and analysis of North Sabine Fire Protection District's financial activities for the year ended December 31, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the North Sabine Fire Protection District's financial statements, which begin on page 8.

FINANCIAL HIGHLIGHTS

- 1) The North Sabine Fire Protection District had cash of \$219,604 at December 31, 2009 which represents an increase of \$100,373 from prior year end.
- 2) The North Sabine Fire Protection District had accounts receivable of \$313,597 at December 31, 2009 which represents an increase of \$37,558 from prior year end.
- 3) The North Sabine Fire Protection District had accounts payable and accruals of \$24,175 at December 31, 2009 which represents an increase of \$5,590 from prior year end.
- 4) The North Sabine Fire Protection District had total revenues of \$366,289 for the year ended December 31, 2009 which represents a decrease of \$16,067 from prior year.
- 5) The North Sabine Fire Protection District had tax revenues of \$296,929 for the year ended December 31, 2009 which represents an increase of \$1,532 from prior year.
- 6) The North Sabine Fire Protection District had personal services expenses of \$27,846 for the year ended December 31, 2009 which represents an increase of \$210 from prior year.
- 7) The North Sabine Fire Protection District had operating services expenses of \$182,914 for the year ended December 31, 2009 which represents a decrease of \$86,977 from prior year.
- 8) The North Sabine Fire Protection District had supplies expenses of \$3,381 for the year ended December 31, 2009 which represents a decrease of \$14,645 from prior year.
- 9) The North Sabine Fire Protection District had capital asset purchases of \$16,354 for the year ended December 31, 2009 which represents an increase of \$9,254 from prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The following graphic illustrates the minimum requirements for the North Sabine Fire Protection District as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2009

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information
(Other than MD&A)

These financial statements consist of three sections - Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

Basic Financial Statements

This annual report consist of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 8 and 9) provide information about the activities of the North Sabine Fire Protection District as a whole and present a longer-term view of the District's finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Net Assets and the Statement of Activities report the District's net assets and changes in them. You can think of the District's net assets, the difference between assets and liabilities, as one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating.

Fund financial statements start on page 10. All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's activities as well as what remains for future spending.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2009

FINANCIAL ANALYSIS OF THE ENTITY

Statement of Net Assets
As of Year End

	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 540,379	\$ 401,895
Capital assets, net	<u>556,852</u>	<u>736,619</u>
Total Assets	<u>\$ 1,097,231</u>	<u>\$ 1,138,514</u>
Other liabilities	\$ 24,175	\$ 18,585
Compensated Absences payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>24,175</u>	<u>18,585</u>
Net assets		
Investment in capital assets, net of related debt	556,852	736,619
Unrestricted	<u>516,204</u>	<u>383,310</u>
Total Net Assets	<u>1,073,056</u>	<u>1,119,929</u>
Total Liabilities and Net Assets	<u>\$ 1,097,231</u>	<u>\$ 1,138,514</u>

Net assets of the North Sabine Fire Protection District's decreased by \$46,873 or 4.19% from the previous fiscal year. The decrease is the result of operating expenses exceeding program and general revenues during the fiscal year ended 2009 (See table below).

Statement of Activities
For the Year Ended

	<u>2009</u>	<u>2008</u>
General government		
Expenses	\$ (413,162)	\$ (516,596)
Program revenues		
Capital grants and contributions	<u>0</u>	<u>0</u>
Subtotal	(413,162)	(516,596)
General revenues	<u>366,289</u>	<u>382,356</u>
Change in net assets	<u>\$ (46,873)</u>	<u>\$ (134,240)</u>

The North Sabine Fire Protection District's total revenues decreased by \$16,067 or 4.20% from the previous year. The total cost of all programs and services decreased by \$103,434 or 20.02% from the previous year.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2009

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009, the North Sabine Fire Protection District had \$556,852, net of depreciation, invested in a broad range of capital assets (See table below). This amount represents a net decrease (including additions and deductions) of \$179,767 or 24.40% from the previous year.

Capital Assets at Year End
(Net of Depreciation)

	<u>2009</u>	<u>2008</u>
Land	\$ 31,615	\$ 31,615
Buildings and building improvements	214,090	250,348
Automobiles	160,749	218,815
Machinery and equipment	<u>150,398</u>	<u>235,841</u>
Total	<u>\$ 556,852</u>	<u>\$ 736,619</u>

This year's major additions included:

Building and building improvements	\$ 4,430
Automobiles	\$ 1
Machinery and equipment	\$ 11,923

This year's major retirements included:

Machinery and equipment	\$ 5,000
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Debt

The North Sabine Fire Protection District had \$0 in compensated absences payable outstanding at year end compared to \$0 at the previous year end, no change as shown in the table below.

Outstanding Debt at Year End

	<u>2009</u>	<u>2008</u>
Compensated absences payable	\$ 0	\$ 0
Totals	<u>\$ 0</u>	<u>\$ 0</u>

New debt during the year included:

None.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
DECEMBER 31, 2009

VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS

Actual revenues were \$38,289 more than budgeted amounts due to taxes and state revenue sharing being more than expected.

Actual expenditures were \$11,605 less than budgeted amounts due to operating services being less than expected.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The North Sabine Fire Protection District's elected officials considered the following factors and indicators when setting next year's budget, rates and fees. These factors and indicators include:

- 1) Taxes
- 2) State revenue sharing
- 3) Intergovernmental revenues (state and local grants)
- 4) Miscellaneous revenues

The North Sabine Fire Protection District does not expect any significant changes in next year's results as compared to the current year.

CONTACTING THE NORTH SABINE FIRE PROTECTION DISTRICT'S MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the North Sabine Fire Protection District's finances and to show the North Sabine Fire Protection District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jerry McDonald, President, Post Office Box 81, Zwolle, Louisiana 71486.

EXHIBIT A

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Current Assets		
Cash	\$ 219,604	\$ 119,231
Accounts receivable	313,597	276,039
Prepaid expenses	<u>7,178</u>	<u>6,625</u>
Total Current Assets	540,379	401,895
Noncurrent Assets		
Capital assets, net	<u>556,852</u>	<u>736,619</u>
Total Assets	<u>\$ 1,097,231</u>	<u>\$ 1,138,514</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts payable and accruals	<u>\$ 24,175</u>	<u>\$ 18,585</u>
Total Current Liabilities	24,175	18,585
Noncurrent Liabilities		
Compensated absences payable	<u>0</u>	<u>0</u>
Total Liabilities	24,175	18,585
NET ASSETS		
Investment in capital assets, net of related debt	556,852	736,619
Unrestricted	<u>516,204</u>	<u>383,310</u>
Total Net Assets	<u>1,073,056</u>	<u>1,119,929</u>
Total Liabilities and Net Assets	<u>\$ 1,097,231</u>	<u>\$ 1,138,514</u>

The accompanying notes are an integral part of this statement.

EXHIBIT B

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009				2008	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Asset	Revenue and Changes in Net Asset
General Government						
Personal services	\$ 27,846	\$ 0	\$ 0	\$ 0	\$ (27,846)	\$ (27,636)
Travel	0	0	0	0	0	0
Operating services	182,914	0	0	0	(182,914)	(269,891)
Supplies	3,381	0	0	0	(3,381)	(18,026)
Professional services	2,900	0	0	0	(2,900)	(3,389)
Depreciation	196,121	0	0	0	(196,121)	(197,654)
Total General Government	\$ 413,162	\$ 0	\$ 0	\$ 0	(413,162)	(516,596)
General Revenues						
Taxes					296,929	295,397
State revenue sharing					31,721	32,082
Interest income					2,386	3,642
Miscellaneous					35,253	51,235
Total General Revenues					366,289	382,356
Change in Net Assets					(46,873)	(134,240)
Net Assets, Beginning of year					1,119,929	1,254,169
Net Assets, End of year					\$ 1,073,056	\$ 1,119,929

The accompanying notes are an integral part of this statement.

EXHIBIT C

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
ASSETS		
Cash	\$ 219,604	\$ 119,231
Accounts receivable	313,597	276,039
Prepaid expenses	<u>7,178</u>	<u>6,625</u>
Total Assets	<u>\$ 540,379</u>	<u>\$ 401,895</u>
 LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable and accruals	<u>\$ 24,175</u>	<u>\$ 18,585</u>
Total Liabilities	24,175	18,585
 FUND BALANCES		
Unreserved	<u>516,204</u>	<u>383,310</u>
Total Fund Balances	<u>516,204</u>	<u>383,310</u>
Total Liabilities and Fund Balances	<u>\$ 540,379</u>	<u>\$ 401,895</u>

The accompanying notes are an integral part of this statement.

EXHIBIT D

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2009

Total Fund Balances for Governmental Funds (Exhibit C) \$ 516,204

Total Net Assets reported for governmental activities in the statement of net assets
is different because:

Capital assets used in governmental activities are not financial resources and
therefore are not reported in the funds. Those assets consist of:

Land	\$ 31,615	
Buildings and building improvements, net of \$359,168 in accumulated depreciation	214,090	
Automobiles, net of \$1,126,301 in accumulated depreciation	160,749	
Machinery and equipment, net of \$527,466 in accumulated depreciation	\$ 150,398	
Total Capital Assets		556,852

Long-term liabilities, including compensated absences payable, are not due
and payable in the current period and therefore are not reported in the fund
liabilities.

0

Total Net Assets of Governmental Activities (Exhibit A) \$ 1,073,056

EXHIBIT E

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
REVENUES		
Taxes	\$ 296,929	\$ 295,397
State revenue sharing	31,721	32,082
Interest income	2,386	3,642
Miscellaneous	<u>35,253</u>	<u>51,235</u>
Total Revenues	366,289	382,356
EXPENDITURES		
General government		
Personal services	27,846	27,636
Travel	0	0
Operating services	182,914	269,891
Supplies	3,381	18,026
Professional services	2,900	3,389
Capital outlay	<u>16,354</u>	<u>7,100</u>
Total Expenditures	<u>233,395</u>	<u>326,042</u>
Excess/(Deficiency) Of Revenues Over Expenditures	132,894	56,314
Fund Balance, Beginning of year	<u>383,310</u>	<u>326,996</u>
Fund Balance, End of year	<u>\$ 516,204</u>	<u>\$ 383,310</u>

The accompanying notes are an integral part of this statement.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2009

Net Change in Fund Balances-Total Governmental Funds (Exhibit E) \$ 132,894

The change in Net Assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$196,121) exceeds capital outlay (\$16,354) in the current period. (179,767)

Some expense reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 0

Change in Net Assets of Governmental Activities (Exhibit B) \$ (46,873)

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

The North Sabine Fire Protection District was created by the Sabine Parish Police Jury, as authorized by Louisiana Revised Statute 40:1492, for the purpose of providing fire protection within the District. The District is governed by a board of six commissioners appointed by the Police Jury, Town of Zwolle, Village of Converse, Village of Pleasant Hill and Village of Noble.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This Codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of the North Sabine Fire Protection District present information only as to the transactions of the programs of the North Sabine Fire Protection District as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the North Sabine Fire Protection District are maintained in accordance with applicable statutory provisions:

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

Expense Recognition

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

B. Budgetary Accounting

Formal budgetary accounting is employed as a management control. The North Sabine Fire Protection District prepares and adopts a budget each year in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted amounts by five percent or more. All budget appropriations lapse at year end.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows and consistent with GASB Statement 9, the North Sabine Fire Protection District defines cash and cash equivalents as follows:

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. Generally, only investments which, at the day of purchase, have a maturity date no longer than three months qualify under this definition.

D. Receivables

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.

E. Bad Debts

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At December 31, 2009, \$0 were considered to be uncollectible.

F. Capital Assets

Capital assets are carried at historical costs. Depreciation of all exhaustible capital assets used by the North Sabine Fire Protection District are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 10 to 40 years for buildings and building improvements and 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to earnings as incurred. Major expenditures for renewals and betterments are capitalized.

G. Compensated Absences

The North Sabine Fire Protection District does not have full time employees; therefore, no liability for compensated absences has been recorded in the accompanying financial statements.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 2 DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

A. Deposits with Financial Institutions

For reporting purposes, deposits with financial institutions including savings, demand deposits, time deposits, and certificates of deposit. Under state law the North Sabine Fire Protection District may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further the Fund may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The deposits at December 31, 2009 were secured as follows:

	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Deposits in bank accounts per balance sheet	\$ 219,604	\$ 0	\$ 219,604
	<u>Cash</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Bank Balances (Category 3 Only, If Any)			
a. Uninsured and uncollateralized	\$ 0	\$ 0	\$ 0
b. Uninsured and uncollateralized with securities held by the pledging institution	0	0	0
c. Uninsured and uncollateralized with securities held by the pledging institution's trust department or agent but not in the entity's name	0	0	0
 Total Category 3 Bank Balances	\$ 0	\$ 0	\$ 0
Total Bank Balances (All Categories Including Category 3 Reported Above)	\$ 188,444	\$ 0	\$ 188,444

The following is a breakdown by banking institution and amount of the balances shown above:

<u>Banking Institution</u>	<u>Amount</u>
Sabine State Bank	\$ 188,444
Total	\$ 188,444

B. Investments

At December 31, 2009, the North Sabine Fire Protection District had investments of \$0.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 3 ACCOUNTS RECEIVABLE

The following is a summary of accounts receivable at December 31, 2009:

<u>Class of Receivable</u>	
Taxes	\$ 303,631
State revenue sharing	<u> 9,966</u>
Total	<u><u>\$ 313,597</u></u>

NOTE 4 CAPITAL ASSETS

A summary of the North Sabine Fire Protection District's capital assets at December 31, 2009 follows:

	Balance December 31, 2008	Additions	Retirements	Balance December 31, 2009
Capital Assets, not being depreciated				
Land	<u>\$ 31,615</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 31,615</u>
Total Capital Assets, not being depreciated	31,615	0	0	31,615
Capital Assets, being depreciated				
Buildings and building improvements	568,828	4,430	0	573,258
Less accumulated depreciation	<u>(318,480)</u>	<u>(40,688)</u>	<u>0</u>	<u>(359,168)</u>
Total Buildings and building improvements	250,348	(36,258)	0	214,090
Automobiles	1,287,049	1	0	1,287,050
Less accumulated depreciation	<u>(1,068,234)</u>	<u>(58,067)</u>	<u>0</u>	<u>(1,126,301)</u>
Total Automobiles	218,815	(58,066)	0	160,749
Machinery and equipment	670,941	11,923	(5,000)	677,864
Less accumulated depreciation	<u>(435,100)</u>	<u>(97,366)</u>	<u>5,000</u>	<u>(527,466)</u>
Total Machinery and equipment	<u>235,841</u>	<u>(85,443)</u>	<u>0</u>	<u>150,398</u>
Total Capital Assets, being depreciated	<u>705,004</u>	<u>(179,767)</u>	<u>0</u>	<u>525,237</u>
Total Capital Assets, net	<u><u>\$ 736,619</u></u>	<u><u>\$ (179,767)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 556,852</u></u>

NOTE 5 ACCOUNTS PAYABLE AND ACCRUALS

The following is a summary of accounts payable at December 31, 2009:

<u>Class of Payable</u>	
Vendor	\$ 12,364
Ad valorem taxes-retirement system	10,893
Payroll taxes	<u> 918</u>
Total	<u><u>\$ 24,175</u></u>

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2009

NOTE 6 LEASES

The North Sabine Fire Protection District was not obligated under any noncancellable capital or operating lease commitments at December 31, 2009.

NOTE 7 LITIGATION

The North Sabine Fire Protection District was not involved in any litigation at December 31, 2009.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS - BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Fav./(Unfav.)</u>
REVENUES				
Taxes	\$ 265,000	\$ 275,000	\$ 296,929	\$ 21,929
State revenue sharing	10,000	18,000	31,721	13,721
Interest income	3,000	3,000	2,386	(614)
Miscellaneous	32,000	32,000	35,253	3,253
Total Revenues	310,000	328,000	366,289	38,289
EXPENDITURES				
General government				
Personal services	30,940	30,200	27,846	2,354
Travel	0	0	0	0
Operating services	217,300	193,800	182,914	10,886
Supplies	15,000	5,500	3,381	2,119
Professional services	4,000	3,500	2,900	600
Capital outlay	44,760	12,000	16,354	(4,354)
Total Expenditures	312,000	245,000	233,395	11,605
Excess/(Deficiency) Of Revenues Over Expenditures	(2,000)	83,000	132,894	49,894
Fund Balance, Beginning of year	383,310	383,310	383,310	0
Fund Balance, End of year	<u>\$ 381,310</u>	<u>\$ 466,310</u>	<u>\$ 516,204</u>	<u>\$ 49,894</u>

OTHER SUPPLEMENTARY INFORMATION

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
SCHEDULE OF COMPENSATION PAID BOARD MEMBERS
DECEMBER 31, 2009

SCHEDULE 2

Albert Ezernack	\$ 300
Jerry McDonald, President	390
Anthony Remedies	420
Rich Remedies	390
Doug Williams	150
Les Zuel	<u>360</u>
 Total	 <u>\$ 2,010</u>

The schedule of compensation paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

In accordance with Louisiana Revised Statute 40:1498, members, including police jurors serving ex-officio, may be paid per diem of \$30 for attending board meetings - not to exceed two meetings in one calendar month.

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2009

SECTION #1

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

- | | | |
|----|--|---------------|
| 1. | Type of auditors' report issued. | Unqualified |
| 2. | Internal control over financial reporting: | |
| | a) Material weakness(es) identified? | No |
| | b) Significant deficiency(ies) identified that are not considered to be material weaknesses? | Yes (2009-01) |
| 3. | Noncompliance material to financial statements noted? | No |

SECTION #2

FINANCIAL STATEMENT FINDINGS

2009-01	Deposits were not always being made in a timely manner.
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HINES, SHEFFIELD & SQUYRES, L.L.C.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

North Sabine Fire Protection District
P.O. Box 81
Zwolle, Louisiana 71486

We have audited the accompanying basic financial statements of the North Sabine Fire Protection District, Zwolle, Louisiana, a component unit of the Sabine Parish Police Jury, as of and for the year ended December 31, 2009, and have issued our report thereon dated June 14, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the North Sabine Fire Protection District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the North Sabine Fire Protection District's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in finding 2009-01 of the accompanying Corrective Action Plan For Current Year Audit Findings, Schedule 5, to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe the significant deficiency described above is not a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the North Sabine Fire Protection District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the North Sabine Fire Protection District, management and the Louisiana State Legislative Auditor and is not intended to be, and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Hines, Sheffield & Squyres

Natchitoches, Louisiana

June 14, 2010

SCHEDULE 4

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

	Fiscal Year Finding Initially Occurred		Corrective Action Taken (Yes, No, Partially)	Planned Corrective Action/Partial Corrective Action Taken
<u>Ref. No.</u>	<u>Occurred</u>	<u>Description of Finding</u>	<u>Partially)</u>	<u>Action Taken</u>

Nothing came to our attention that would require disclosure under Government Auditing Standards.

SCHEDULE 5

NORTH SABINE FIRE PROTECTION DISTRICT
ZWOLLE, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
2009-01	Deposits were not always being made in a timely manner.	Management will establish internal control procedures that ensures deposits are always being made in a timely manner.	Jerry McDonald, President	6/30/2010

HINES, SHEFFIELD & SQUYRES, L.L.C.

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Board of Commissioners
P.O. Box 81
Zwolle, LA 71486

We are writing this letter as a follow-up to our recent audit of the basic financial statements of the North Sabine Fire Protection District, Zwolle, Louisiana, a component unit of the Sabine Parish Police Jury, as of December 31, 2009, and for the year then ended. We offer the following observations and recommendations, which are intended to help improve record keeping procedures and general operations of the District and are intended to be constructive in nature:

Existing Condition

Deposits were not always being made in a timely manner.

Recommended Action

Management should establish internal control procedures that ensures deposits are always being made in a timely manner.

Management's Response

Management will establish internal control procedures that ensures deposits are always being made in a timely manner.

These comments and recommendations are not all inclusive and are not intended to be critical of anyone. We would like to thank the District's management and staff for their courtesy and cooperation during our engagement. If you have any questions or concerns, please let us know.

Hines, Sheffield & Squyres

Natchitoches, Louisiana
June 14, 2010